# FIRE PROTECTION SUB-DISTRICT NO. 2 OF WEST BATON ROUGE PARISH, LOUISIANA Brusly, Louisiana

Annual Financial Statements
As of and For the Year Ended June 30, 2009

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 1/20/2010

DONALD C. De VILLE

Certified Public Accountant 7829 Bluebonnet Boulevard Baton Rouge, Louisiana 70810

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#### INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS

July 30, 2009

Board of Commissioners Fire Protection Sub-District No. 2 of West Baton Rouge Parish, Louisiana Brusly, Louisiana

I have audited the accompanying basic financial statements of the Fire Protection Subdistrict No. 2 of West Baton Rouge, Louisiana, as of and for the year ended June 30, 2009, as listed in the Table of Contents. These basic financial statements are the responsibility of the Fire Protection Subdistrict No. 2 of West Baton Rouge Parish, Louisiana's management. My responsibility is to express an opinion of these basic financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in <u>Government Auditing Standards</u>, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provided a reasonable basis for my opinion.

In my opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the Fire Protection Subdistrict No. 2 of West Baton Rouge Parish, Louisiana, as of June 30, 2009, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with <u>Government Auditing Standards</u>, I have also issued a report dated July 30, 2009, on our consideration of Fire Protection Subdistrict No. 2 of West Baton Rouge Parish, Louisiana's internal control over financial reporting and our tests of its compliance with laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with <u>Governmental Auditing Standards</u> and should be read in conjunction with this report in considering the results of my audit.

The budgetary comparison information on page 24, is not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. I have applied certain limited procedures, which consisted principally of inquires of management regarding the methods of measurement and presentation of the supplementary information. However, I did not audit the information and express no opinion on it.

The Fire Protection Subdistrict No. 2 of West Baton Rouge Parish, Louisiana, has not presented Management's Discussion and Analysis that accounting principles generally accepted in the United States has determined is necessary to supplement, although not required to be part of, the basic financial statements.

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#### BASIC FINANCIAL STATEMENTS

### FIRE PROTECTION SUBDISTRICT NO. 2 OF WEST BATON ROUGE PARISH, LOUISIANA BRUSLY, LOUISIANA

### STATEMENT OF NET ASSETS JUNE 30, 2009

	GOVERNMENTAL
	<u>ACTIVITES</u>
<u>ASSETS:</u>	
Cash & Cash Equivalents	\$30,044
Investments - Lamp	133,673
Taxes Receivable	35,434
Fixed Assets, Net	618,063
Total Assets	817,214
LIABILITIES:	
Accounts Payable	\$2,044
Employee Withholdings	292
Compensated Absences	5,061
Total Liabilities	7,397
TOTAL HIMILICIES	
NET ASSETS	
Invested in Capital Assets, Net of Related Debt	618,063
Unrestricted	191,754
Total Net Assets	809,817
	·

### FIRE PROTECTION SUBDISTRICT NO. 2 OF WEST BATON ROUGE PARISH, LOUISIANA BRUSLY, LOUISIANA

### STATEMENT OF STATEMENT OF ACTIVITIES YEAR ENDED JUNE 30, 2009

#### PROGRAM REVENUE

	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS	CAPITAL GRANTS	NET GOVERNMENTAL ACTIVITIES
Governmental Act:	ivities:				
Public Safety: Fire Protection	\$508,095	-0-	\$21,952	-0-	\$486,143
Total Governmenta Activities	508,095	- 0 -	21,952	-0-	486,143
		Sales Interg	Revenues: Taxes overnmental st earnings		522,096 13,882 1,070
		Total	General Rev	enues	537,048
		Change	s in Net As	sets	50,905
		Net Asse	ts, Beginni	ng of Year	758,912
		Net Asse	ts, End of	Year	809,817

### FIRE PROTECTION SUBDISTRICT NO. 2 OF WEST BATON ROUGE PARISH, LOUISIANA BRUSLY, LOUISIANA

#### BALANCE SHEET JUNE 30, 2009

ASSETS	GENERAL <u>FUND</u>
Cash & Cash Equivalents Investments - Lamp Taxes Receivable	\$30,044 133,673 35,434
Total Assets	199,151
LIABILITIES AND FUND BALANCES  Liabilities Accounts Payable Employee Withholdings	\$2,044 292
Total Liabilities	2,336
Fund Balances: Unreserved	196,815
Total Fund Balances	196,815
Total Liabilities & Fund Balances	199,151

### RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCE TO THE GOVERNMENT-WIDE FINANCIAL STATEMENT OF NET ASSETS

### FIRE PROTECTION SUBDISTRICT NO. 2 OF WEST BATON ROUGE PARISH, LOUISIANA JUNE 30, 2009

Total Governmental Fund Balance	\$196,815
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	618,063
Some expense reported in the statement of activities such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in government funds.	(5,061)
Net Assets of Governmental Activities	809,817

### FIRE PROTECTION SUBDISTRICT NO. 2 OF WEST BATON ROUGE PARISH, LOUISIANA BRUSLY, LOUISIANA

### STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES YEAR ENDED JUNE 30, 2009

	GENERAL <u>FUND</u>
REVENUES:	<b>AFOO</b> 006
Sales Taxes	\$522,096
Intergovernmental Revenue:	40.000
State Fire Insurance Rebate	13,882
FEMA Grant	21,952
Investment Income	1,070
Total Revenue	559,000
Expenditures	
Current Operations:	
Salaries	194,983
Fringe Benefits	57,870
Administrative	6,000
Material And Supplies	32,452
Maintenance	11,537
Insurance	23,402
Postage	3,935
Professional	6,134
Publications	2,213
Telephone	6,693
Training	12,783
Uniforms	6,236
Utilities	8,855
Vehicle Expense	28,083
Miscellaneous	633
Debt Retirement/Interest	25,164
Capital Outlay	32,522
Total Expenditures	459,495
Excess of Revenues over Expenditures	99,505
Fund Balance, Beginning of Year	97,310
Fund Balance, End of Year	196,815

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS.

### RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

## FIRE PROTECTION SUBDISTRICT NO. 2 OF WEST BATON ROUGE PARISH, LOUISIANA BRUSLY, LOUISIANA YEAR ENDED JUNE 30, 2009

Net Change in Fund Balances-Total Governmental Funds	\$99,505
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	(70,291)
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of assets.	24,000
Some expense reported in the statement of activities such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	(2,309)
Net Assets of Governmental Activities	50,905

#### NOTE 1 - INTRODUCTION

West Baton Rouge Fire Protection Sub-District #2 (the Sub-District) is a body corporate created by the West Baton Rouge Parish Council in 1991, as provided by Louisiana Revised Statute 40:1503. The Fire Sub-District is governed by the Town of Brusly's governing body. The Fire Sub-District is authorized to provide fire protection services within the Brusly, Louisiana area. The population of the Sub-District is approximately 7,000 and the Fire Sub-District has three full time employees, 5 part-time and several volunteer fire fighters.

#### NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Reporting Entity

The Sub-District was created by the West Baton Rouge Parish Council as authorized by Louisiana Revised Statute 40:1503.

The Sub-District is governed by a chief executive officer and a board of commissioners, in accordance with LRS 40:1506 which provides that if a municipality is included within a Sub-District, the governing body of the municipality shall be the governing body of the Sub-District.

In accordance with the requirements of Statement No. 14, The <u>Financial Reporting Entity</u>, of the Governmental Accounting Standards Board (GASB), the financial statements must present the Sub-District (the primary government) and its component units. Pursuant to this criterion, no component units were identified for inclusion in the accompanying financial statements.

#### Government-Wide and Fund Financial Statements

The basic financial statements include both government-wide (based on the Sub-District as a whole) and fund financial statements. The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component units. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The previous reporting model emphasized fund types (the total of all funds of a particular type), in the new reporting model as defined by GASB Statement No. 34 the focus is either the Sub-District as a whole or major individual funds (within the fund financial statements).

The statement of activities demonstrates the degree to which the direct expenses of a given functional category (Public Safety) or activity are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include (1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment, (2) grants and contributions that are restricted to meeting the operational requirement of a particular function or activity, and (3) grants and contributions that are restricted to meeting the capital requirements of a particular function or activity.

Taxes and other items not properly included among program revenues are reported instead as general revenues. The net cost (by function or business-type activity) is normally covered by general revenue (property, sales, franchise taxes, intergovernmental revenues, interest income, etc.)

Separate fund based financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statement. The major governmental fund is the general fund. GASB Statement No. 34 sets forth minimum criteria (percentages of assets, liabilities, revenues, and expenditures / expenses of either fund category for the governmental and enterprise combined) for the determination of major funds. There were no nonmajor funds.

The government-wide focus is more on the sustainable of the Sub-District as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. The focus of the fund financial statements is on the major individual funds of the governmental and business-type categories, as well as the fiduciary funds, by category, and the component units. Each presentation provides valuable information that can be analyzed and compared to enhance the usefulness of the information.

### Measurement Focus, Basis of Accounting, and Financial Statement Presentation.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the propriety fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Sales taxes are recognized as revenues in the year for which they are collected. Grants and similar items are recognized as revenue as soon as all eligibility requirement imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to available if they are collected with 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgements, are recorded only when payment is due.

Sales taxes are recognized under the susceptible to accrual concept. Investment earnings are recorded as earned since they are measurable and available. In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual requirements of the individual programs are used as guidance.

The following major funds are used by the Sub-District in its governmental funds:

General Fund accounts for the Sub-District's primary public safety and is the primary operating unit of the Sub-District.

GASB Statement No. 34 eliminates the presentation of Account Groups, but provides for these records to be maintained and incorporates the information into the Governmental Activities column in the government-wide Statement of Net Assets.

#### Assets, Liabilities and Equity

#### Cash and Investments

Cash includes amounts in demand deposits, interest-bearing demand deposits, and petty cash. Cash equivalent include amounts in time deposits and those investments with original maturities of 90 days or less. Cash and cash equivalents are reported at their carrying amounts that equal their fair values. Under state law, the Sub-District may deposit funds in demand deposits, interest bearing demand deposits, money market accounts or time deposits with state banks organized under Louisiana law, or of any other state of the United States, or under the laws of the United States. In addition, local governments in Louisiana are authorized to invest in the Louisiana Asset Management Pool, Inc. (LAMP), a non-profit corporation formed by an initiative of the State Treasurer and organized under the laws of the State of Louisiana, which operates a local government investment pool.

These are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash equivalents. Investments are stated at their fair value.

Cash deposits are reported at carrying amount which reasonably estimates fair value.

#### <u>Receivables</u>

Receivables consist of all revenues earned at year-end and not yet received.

#### Prepaid Expenses/Expenditures

Immaterial prepaid, if any, have been expensed.

#### Inventories

Inventories for supplies are immaterial and are recorded as expenses when purchased.

#### Capital Assets, Depreciation, and Amortization

Capital assets are capitalized at historical cost. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Fire Protection Subdistrict maintains a threshold level of \$1,000 or more for capitalized capital assets.

Capital assets are recorded in the Statement of Net Assets and the Statement of Activities. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public purposes, no salvage value is taken into consideration for depreciation purposes. All capital assets other than land are depreciated using the straight line method over the following useful lives:

Buildings - 40 Years
Equipment - 5 to 7 Years
Vehicles - 5 to 10 Years

#### COMPENSATED ABSENCES

The Sub-District's recognition and measurement criteria for compensated absences follows:

GASB Statement No. 16 provides that vacation leave and other compensated absences with similar characteristics should be accrued as a liability as the benefits are earned by the employees if both of the following conditions are met:

- a. The employees' rights to receive compensation are attributable to services already rendered.
- b. It is probable that the employer will compensate the employees for the benefits through paid time off or some other means, such as cash payments at termination or retirement.

#### Fund Equity Classifications

Equity is classified as net assets and displayed in three components:

- 1. Invested in capital assets, net of related debt Consist of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets.
- 2. Restricted net assets Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- 3. Unrestricted net assets All other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

#### Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenditures and expenses during the reporting period. Actual results could differ from those estimates.

#### Budgetary Information

The Sub-District's expenditures are less than five hundred thousand and is therefore not subject to the Local Budget Act.

#### NOTE 3 - CASH

As of June 30, 2009, the West Baton Rouge Fire Protection Subdistrict #2, West Baton Rouge Parish, Louisiana, had cash and cash equivalent (book balances) totaling \$30,044.

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

Custodial Credit Risk-Deposits. At year-end the bank balance was \$39,126. Of the bank balances, \$39,126 was covered by federal depository insurance. \$-0- was collateralized with securities held by the pledging financial institution's trust department or agent but not in the Fire Protection Subdistrict's name (GASB Category 3).

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, Louisiana R.S. 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledge securities within 10 days of being notified by the library that the fiscal agent has failed to pay deposited funds upon demand.

Interest Rate-Deposits. The Fire Protection Subdistrict's policy does not address interest rate risk.

#### NOTE 4 - INVESTMENTS

The Sub-District's Investment balances at year-end were as follows:

#### Type of Investment

Carrying Amount Fair Value

Investments not subject to categorization: External investment pool (LAMP)

\$133,673

LAMP is administered by LAMP, Inc,, a non-profit corporation under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LA - R.S. 33:2955.

GASB Statement No. 40, <u>Deposit</u> and <u>Investment Risk Disclosure</u>, requires disclosure of credit risk, custodial risk, concentration of credit risk, interest rate risk, and foreign currency risk for all public entity investments.

LAMP is a 2a7-like investment pool. The following facts are relevant for 2a7 like investment pools:

Credit Risk: LAMP is rated AAAm by Standard & Poor's.

Custodial Credit Risk: LAMP participant's investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The public entity's investment is with the pool, not the securities that make up the pool; therefore, no disclosure is required.

Concentration of Credit Risk: Pooled investments are excluded from the 5 percent disclosure requirement.

Interest Rate Risk: 2a7-like investment pools are excluded from this
disclosure requirement, per paragraph 15 of the GASB 40 statement.

Foreign Currency Risk: Not applicable to 2a7-like pools entities.

The dollar weight average portfolio maturity of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days. LAMP is designed to be highly liquid to give its participants immediate access to their account balances. The investments in LAMP are stated at fair value based on quoted market rates. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the value of the pool shares.

LAMP, Inc. is subject to the regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the SEC as an investment company.

#### NOTE 5 - RECEIVABLES

A. A Summary of Receivables at year end follows:

#### CLASS OF RECEIVABLES

GENERAL FUND

Sales Taxes

\$35,434

Accounts receivable are written-off under the direct write-off method whereby bad debts are recorded when a receivable is deemed uncollectible. If they are subsequently collected they are recorded as miscellaneous income. The direct charge-off method is not a material departure from GAAP as it approximates the valuation method.

#### NOTE 6 - CAPITAL ASSETS

A. Capital assets and depreciation activity as of and for the year ended June 30, 2009, is as follows:

Governmental Activities	Balance 6-30-08	Additions	Deletions	Balance 6-30-09
Equipment and Vehicles Buildings	\$1,012,223 462,423	\$31,822 -0-	<del>-</del> 0 - - 0 -	\$1,044,045 462,423
Subtotal	1,474,646	31,822	-0-	1,506,468
Accumulated Depreciation Equipment and Vehicles Buildings	(641,256) (145,036)		- 0 - - 0 -	(731,808) (156,597)
Subtotal	(786,292)	(102,113)	-0-	(888,405)
Net Capital Assets	688,354	(70,291)	-0-	618,063

#### NOTE 7 - LONG-TERM OBLIGATIONS

The following is a summary of debt transactions for the year ended June 30, 2009:

	BALANCE 7/1/08	ADDITIONS	RETIREMENT	BALANCE 6/30/09
Certificate of Indebtedness	\$24,000	-0-	\$24,000	\$-0-

Certificate of Indebtedness at June 30, 2009, are comprised of:

\$165,000 Certificate of Indebtedness, Series 1999A, with Bank of West Baton Rouge, bearing interest at 4.85%; principal due April 1 of each year for ten years, and interest due April 1 and October 1 each year until paid off - April 1, 2009

\$-0-

#### NOTE 8 - PENSION PLAN AND RETIREMENT COMMITMENTS

#### Plan Description.

Substantially all of the Sub-District's employees are members of the Firefighters' Retirement System Pension Plan (Plan) a cost sharing, multiple-employer, non-qualified defined benefit pension plan covering firefighters employed by any municipality, parish or fire protection Sub-District of the State of Louisiana, under the provisions of Louisiana Revised Statutes 11:2251 through 2269, effective January 1, 1990. The Plan is not a qualified plan as defined by the Internal Revenue Code nor is it subject to the Employee Retirement Income Security Act of 1984.

#### Plan Membership.

The latest employer and employee membership data includes about 5,000 members.

#### Plan Benefits.

Employees with 20 or more years of service who have attained age 50 or employees who have 12 years of service who have attained the age 55 or 25 years of service at any age are entitled to annual pension benefits equal to 3 1/3% of the average final compensation based on the 36 consecutive months of highest pay multiplied by their total years of service not to exceed 100%. Employees may elect to receive their pension benefits in the form of a joint and survivor annuity.

Employees who terminate with at least the amount of credited service stated above and do not withdraw their employee contributions may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Firefighters' Retirement System, Post Office Box 94095, Capitol Station, Baton Rouge, Louisiana 70804-9095, or by calling (225) 925-4060.

#### Funding Policy

Under the Plan, members are required by state statute to contribute 8% of their annual covered salary and the Sub-District is required to contribute at an actuarially determined rate. The current rate is 12.5% of annual covered payroll. The contribution requirements of plan members and the Sub-District are established and may be amended by state statute.

As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Fire Protection Subdistrict's contributions to the System under Plan A for the years ended June 30, 2009, June 30, 2008 and June 30, 2007, were \$17,637, \$14,342 and \$10,764, respectively, equal to the required contributions for each year.

#### NOTE 9 - POST-RETIREMENT BENEFITS

The Sub-District does not offer any post retirement benefits.

#### NOTE 10 - COMPENSATED ABSENCES

At June 30, 2009, employees of the Sub-District have accumulated and vested \$5,061 of employee leave benefits, which was computed in accordance with GASB Codification Section C60. Of this amount, all is recorded as an obligation of the General Fund.

#### NOTE 11 - COMPENSATION PAID TO BOARD MEMBERS

In compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature, compensation paid to board members is as follows:

Vance Joey Normand, Mayor	\$-0 <b>-</b>
David Shane Andre'	-0-
Joanne C Bourgeois	-0-
Christopher R Kershaw	-0-
James Landess Hebert	- 0 -
Thomas Olinde	-0-

#### NOTE 12 - JUDGEMENTS, CLAIMS AND SIMILAR CONTINGENCIES

There was no litigation pending against the Fire Protection Sub-District #2 as of June 30, 2009.

The Fire Protection Sub-District #2's management believes that any potential lawsuits would be adequately covered by insurance or resolved without any material impact upon the Fire Protection Sub-District #2's financial statements.

No claims were paid-out or litigation costs incurred during the year ended June 30, 2009.

#### NOTE 13 - RISK MANAGEMENT

The Fire Protection Sub-District #2 is exposed to various risks of loss related to torts; thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Fire Protection Sub-District #2 has purchased commercial insurance to cover or reduce the risk of loss that might arise should one of these incidents occur. There have been no significant reductions in coverage for the prior year. No settlements were made during the year that exceeded the Fire Protection Sub-District #2's coverages.

#### REQUIRED SUPPLEMENTAL INFORMATION

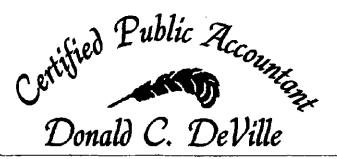
### FIRE PROTECTION SUBDISTRICT NO. 2 OF WEST BATON ROUGE PARISH, LOUISIANA BRUSLY, LOUISIANA

#### GOVERNMENTAL FUND - GENERAL FUND

## SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES BUDGET (GAAP BASIS) AND ACTUAL FOR YEAR ENDED JUNE 30, 2009

	BUDGETED	AMOUNTS	ACTUAL AMOUNTS GAAP	VARIANCE FINAL BUDGET FAVORABLE
	ORIGINAL	<b>FINAL</b>	<u>BASIS</u>	(UNFAVORABLE)
REVENUES				
Sales Taxes	\$402,000	\$402,000	\$522,096	\$120,096
Intergovernmental	14,000	14,000	13,882	(118)
Grants	- 0 -	-0-	21,952	21,952
Investment Income	5,000	5,000	1,070	(3,930)
TOTAL REVENUES	421,000	421,000	559,000	138,000
EXPENDITURES/EXPENSE		<del></del>		
FIRE PROTECTION SERVICES				
Salaries	168,411	· ·		
Fringe Benefits	51,000	51,000		
Administrative	6,000			
Material And Supply	16,000	16,000		
Maintenance	10,000	10,000	-	- •
Insurance	20,000	20,000	23,402	
Office Supplies	4,000	4,000		
Professional	3,500	3,500	6,134	(2,634)
Publications	1,500	1,500		
Telephone	4,000	4,000		
Training	10,000	10,000		
Uniforms	4,000	4,000	6,236	
Utilities	6,000	6,000	8,855	
Vehicle Expense	23,000	23,000		- •
Miscellaneous	2,000	2,000	633	
Debt Retirement	25,164			
Capital Outlay	11,500	11,500	32,522	(21,022)
Total Expenditures	366,075	366,075	<b>4</b> 59, <b>4</b> 95	(93,420)
Excess (Deficiency) of	<b>5.</b> 25-	E4 005	00 505	- 44 500
Revenue over Expenditures	54,925	54,925	99,505	44,580
Fund Balance, July 1	97,310	97,310	97,310	-0-
Fund Balance, June 30	152,235	152,235	196,815	44,580

#### OTHER SUPPLEMENTAL INFORMATION



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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

July 30, 2009

To the Board of Commissioners Fire Protection Subdistrict No. 2 of West Baton Rouge Parish, Louisiana Brusly, Louisiana

I have audited the primary government financial statements of the Fire Protection Subdistrict No. 2 of West Baton Rouge Parish, Louisiana, (Sub-District) as of and for the year ended June 30, 2009, and have issued my report thereon dated July 30, 2009. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

#### Internal Control Over Financial Reporting

In planning and performing my audit, I considered Fire Protection Subdistrict No. 2 of West Baton Rouge Parish, Louisiana's internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Entity internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of the Entity's internal control over financial reporting.

A control deficiency exist when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatement on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that result in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

My consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. I did not identify any deficiency in internal control over financial reporting that I consider to be material weaknesses, as defined above.

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether West Baton Rouge Fire Protection Subdistrict #2's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matter that is required to be reported under <u>Government Auditing Standards</u>.

This report is intended for the information of the management, and federal and state awarding agencies and pass-through entities and Louisiana Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties. However, under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

Mand C. Swill

#### FIRE PROTECTION SUBDISTRICT NO. 2 OF WEST BATON ROUGE PARISH, LOUISIANA BRUSLY, LOUISIANA SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS FOR THE YEAR ENDED JUNE 30, 2009

PLANNED

FISCAL YEAR FINDING

CORRECTIVE

CORRECTIVE ACTION/PARTIAL

REF INITIALLY

ACTION TAKEN

CORRECTIVE

NO. OCCURRED DESCRIPTION OF FINDING (YES, NO, PARTIALLY) ACTION TAKEN

NONE

# FIRE PROTECTION SUBDISTRICT NO. 2 OF WEST BATON ROUGE PARISH, LOUISIANA BRUSLY, LOUISIANA SCHEDULE OF FINDINGS AND QUESTIONED COST YEAR ENDED JUNE 30, 2009

#### A. SUMMARY OF AUDITOR'S RESULTS

#### Financial Statements

Type of auditor's report issued: Unqualified

Material weakness(es) identified? None

Significant deficiency(ies) identified that are not considered to be

material weaknesses? None

Noncompliance material to financial

statements noted? None

Federal Awards

Major Programs - None

Federal funds were used to pay audit cost - None

B. FINDINGS AND QUESTIONED COST - FINANCIAL STATEMENT AUDIT

None

# FIRE PROTECTION SUBDISTRICT NO. 2 OF WEST BATON ROUGE PARISH, LOUISIANA BRUSLY, LOUISIANA CORRECTIVE ACTION PLAN June 30, 2009

		CORRECTIVE	NAME OF	ANTICIPATED
REF	DESCRIPTION	ACTION	CONTACT	COMPLETION
NO.	OF FINDING	PLANNED	PERSON	DATE

Not Applicable